

**Wisconsin Public Employers
Income Continuation Insurance Administration Manual**

CHAPTER 6 — Termination of Coverage

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600 Termination of Coverage

Income Continuation Insurance (ICI) coverage terminates on the date an employee resigns, is dismissed, terminates, retires, turns age 70 or dies, whichever occurs first. The employee need **not** complete an *Income Continuation Insurance Application* (ET-2366) to cancel the coverage for any of the above events.

When coverage ends, a full month's premium is required for any month or portion of a month in which earnings are paid. For example, if the employee retires on March 12, a full month's premium is due for March, even though coverage ended on March 12.

An employee disabled under the terms of the plan at the time coverage terminates will continue to be eligible to receive benefits as long as the disability continues, up to the maximum duration of benefits. (Refer to Reduction or Termination of Benefits in subchapter 709.)

If the employer withdraws from the program, coverage shall terminate at the end of that calendar year, except for those who became disabled on or before the employer's withdrawal.

601 Lapse in Coverage

Coverage is deemed to have lapsed for any employee in active employment who fails to pay the employee portion of the premium to the employer when due. Once lapsed, coverage may only be obtained by providing evidence of insurability. (Exception: An employee whose coverage lapses while on unpaid leave of absence may obtain coverage without providing evidence of insurability by reapplying within 30 days of returning to work.)

602 Cancellation of Coverage

An employee may choose to cancel coverage at any time. Once coverage is cancelled, the employee can only obtain coverage by providing evidence of insurability.

Cancellation of coverage is effective the first day of the calendar month on or after the date the *Income Continuation Insurance Application* (ET-2366) canceling coverage is received by the employer. Any premium deductions taken for a coverage month after the date coverage ceases must be refunded to the employee. Premium adjustments due to a refund must be noted in the 'Premium Adjustment' columns of the *Monthly Premium Report Group Income Continuation Insurance* (ET-1629) form and these adjustments must be applied to the payment remitted to ETF.

An employee enrolled in supplemental ICI coverage who cancels their standard ICI coverage in Section 1 of the *Income Continuation Insurance Application*, effectively cancels their supplemental ICI coverage. Enrollment in supplemental ICI coverage cannot exist without concurrent enrollment in standard ICI coverage.

To cancel only supplemental ICI coverage, the employee must fill out the *Income Continuation Insurance Application* and mark only the box in section 2 where it says, "I wish to cancel my Supplemental ICI Coverage."

603 Employer Withdrawal from the ICI Program

A participating employer may withdraw from the ICI Program at the end of any calendar year provided the employer participated in the program for a minimum of 12 months. A *Resolution to Withdraw from the Wisconsin Public Employers' Group Income Continuation Insurance Program* (ET-1322) must be received at ETF by October 1 for program termination at year's end.

Employee coverage terminates at the end of the calendar year, with the exception of those employees disabled on or before the effective date of the employer's withdrawal. Coverage for these employees ends when the ICI benefit terminates. (Refer to subchapter 707 for information on maximum duration of benefits.)

Employers may contact ETF's Employer Services Section at 608-266-3285, option 2, or toll-free at 1-877-533-5020, option 2, for additional information on withdrawal from the ICI Program.

The Group Insurance Board may terminate an employer's participation in the ICI Program if participation falls below the required 65%. In this event, the employer is notified by October 1 that termination will be effective at the end of the calendar year.